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U.S. Postal Regulatory Commission
901 New York Avenue NW, Suite 2000
Washington, DC 20268-0001

POSTAL REGULATORY
COMMISSION
OFFICE OF THE SECRETARY

RE: 10-Year Regulatory Review (RM2017-3)

Dear Commissioners,

I am writing to you on behalf of RR Donnelley (RRD), one of the country's largest producers of commercial mail in both the market dominant and competitive product lines. Our organization proudly provides marketing and business communications services and solutions to more than 50,000 companies globally, employs more than 43,000 people, and operates mail production and mail distribution activities at more than 75 manufacturing facilities across the U.S. and Puerto Rico.

As a 150-year-old company, a significant portion of our business—and the success of our customers' businesses and the communities they serve—has long depended on a viable and affordable Postal Service. Naturally, its ability to remain viable has required it to evolve alongside the economy, as well as commercial and consumer needs. We have respected the decisions made by the U.S. government—financially, operationally and regulatory—in order to ensure the Postal Service's long-term stability. In the face of these changes, RRD and other mail service providers, logistics and transportation companies have recognized and embraced our supply chain work-sharing relationship with the Postal Service and mail owners – and have made necessary capital investments to reduce costs, improve workflow, and increase throughput efficiencies as a result.

However, after careful evaluation of the Postal Regulatory Commission's (PRC) latest report and proposed changes, not only do we strongly oppose the remedies outlined in Order 4258, we believe these changes—including a proposal to increase postage costs by an estimated 27% for letters and 40% for some flats over a five-year period—could prove disastrous to the commercial mail industry, driving both critical volume and revenue out of the Postal Service all together. This is something that our clients—who heavily rely on the Postal Service to conduct business and communicate with their customers—are legitimately concerned with. For many, the proposed rate increases may eventually become cost-prohibitive and serve as a catalyst for reduced mail volume and migration to alternate channels and delivery methods.

Additionally, we believe that the Commission's arbitrary modification of work-share discounts be reconsidered not only with more accurate cost-avoidance analysis, but should include the indirect positive implications in managing postal machine and labor resources, as well as service performance.

For these reasons, we strongly urge you to reconsider your recommendation to permit the rate increases, as well as changes in work share discount structures. The remedies offered by the Commission are a singular, Band-Aid fix to multi-faceted, persistent problems within the Postal Service. We stand united with other mail industry groups, entities and corporations who believe there is a better path forward to achieve sustained financial stability within the Postal System. Drastic price increases amid weak demand just isn't one of them.

Regards,

A handwritten signature in blue ink, appearing to read "Brian Lundberg", with a long horizontal flourish extending to the right.

Brian Lundberg
President
RR Donnelley Logistics